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C O N F I D E N T I A L SECTION 01 OF 03 SINGAPORE 000325

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SUBJECT: SINGAPORE OPENS DOOR TO CHINESE TO MAINTAIN ETHNIC
BALANCE

REF: 08 SINGAPORE 1036

Classified By: E/P Counselor Ike Reed for reasons 1.4 (b)(d).

¶1. (C) Summary: Faced with a chronically low fertility rate and high emigration, Singapore has used a selective but relatively open immigration policy to increase its population, fuel its normally strong economic growth, and maintain a politically delicate balance among its Chinese, Malay and Indian ethnic groups. While the GOS keeps its immigration numbers secret, it appears that a particularly low birth rate among ethnic Chinese has allowed Chinese-national immigrants to overwhelmingly benefit. Many Chinese immigrants use Singapore as a stepping stone and depart for greater opportunities abroad once they have obtained Permanent Resident status. The integration of culturally different mainland Chinese remains a challenge. End Summary.

A Shrinking Population

¶2. (SBU) Singapore has long used selective but relatively open immigration policies to offset a chronically low birth rate and a persistent "brain drain" of educated citizens. The country's birth rate has been below replacement level (2.1) since 1975 and has now reached a level (1.29) so low that without such offsets, Singapore's population would start to shrink by 2020, Dr. Yap Mui Teng, a demographer at The Lee Kuan Yew School of Public Policy told Poloff. The low birth rate is even more pronounced among ethnic Chinese (who make up approximately 75 percent of the population) and stands at 1.14.

¶3. (SBU) Attempts to address the low birthrate problem date to the mid-1980s, when then-Prime Minister Lee Kuan Yew made several controversial speeches in which he unabashedly lamented the low birth rate of educated Singaporeans and urged college educated women to have more babies. (Note: Although the GOS makes strenuous efforts to maintain ethnic balance and harmony, some interpreted such remarks as chiefly promoting fertility among Chinese, given their historically higher levels of academic achievement. End Note.) More recently, the low birth rate problem has begun to affect all of Singapore's ethnic groups. While the birth rate of ethnic Indians (9 percent of the population) has been below replacement value since 1990, only in the last two years has the birth rate among ethnic Malays slipped below replacement level. Since 1986, the GOS has introduced a slate of

incentives to encourage families, especially working couples, to have more children, including tax incentives, cash bonuses, and programs to assist working mothers. Despite the host of incentives offered, the GOS efforts have not succeeded in arresting the problem, Dr. Yap acknowledged.

Persistent Emigration

¶4. (SBU) Compounding the problem of low birth rate, a significant portion of Singapore citizens and Permanent Residents (PRs) move away from the country each year, Dr. Yap said. Each year over the past five years, between 5,000-8,000 Singapore citizens and PRs permanently left Singapore. This occurred notwithstanding Singapore's then-robust economic growth and strong job market. With an average of only 30,000 births and 15,000 deaths each year, the impact of so many departures on Singapore's population was significant, Dr. Yap added.

Encouraging Immigrants

¶5. (SBU) In order to maintain (and indeed expand) its population, the Government of Singapore actively encourages immigration among skilled and well-educated workers. At present, approximately 25 percent of Singapore's 4.8 million people are non-residents. The majority of the non-resident population is comprised of transient lower-skilled workers that remain in Singapore for periods of two to four years and work in the construction, marine and the service industries.

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However, a significant percentage of the non-resident population is comprised of better-educated and skilled labor, for whom gaining permanent residence status is quick and easy.

¶6. (C) Chinese immigrants have traditionally formed a disproportionate share of total immigration, and there have been three major waves of immigration from China, the most recent occurring over the last five years, Chinese Heritage Center Director Dr. Leo Suryadinata told Poloff. The influx of Chinese immigrants has allowed Singapore to maintain its ethnic balance (now presently 75 percent Chinese, 14 percent Malay, 9 percent Indian and 2 percent "other") over the years despite the extremely low birth rate of ethnic Chinese Singaporeans. To illustrate the effect of immigration, Dr. Suryadinata pointed out that the birth rate for ethnic Chinese has hovered between 1.07 - 1.6 for the last twenty years, while the birth rate of ethnic Malays remained above replacement level until 2007. Yet the ethnic Chinese percentage of the population has only fallen 3 percent during that period. The percentage of ethnic Malays has fallen half of one percent, from 14 to 13.5 percent. The ethnic Indian population increased from 7 to 9 percent despite a birth rate that since 1990 has been well below replacement value, indicating a large influx of Indian immigrants as well, Dr. Suryadinata said.

Immigration Numbers Kept Secret

¶7. (C) Ever mindful of sensitivities about its active management of communal issues, the Government of Singapore keeps its immigration numbers secret, MFA North East Asia Assistant Director Tracy Chan admitted. This is at least in part an effort to avoid reigniting racial tensions that led to race riots in the late 1960s. One practical effect of such a policy is that no one outside the GOS knows the precise ethnic mix among immigrants, students and other foreigners living and working in the country. In conversations with other embassies, we learned that many of them have no idea how many of their nationals reside in Singapore.

Singapore as a Stepping Stone

¶8. (C) While many Chinese skilled workers and students eventually become Singapore citizens, a greater number subsequently seek greener pastures once they have acquired PR status, James Du, a Chinese-born consultant (now Singapore Citizen) at Asia-Link Technology (a mainland China-focused headhunting firm) told Poloff. Singapore has a policy of recruiting the "best and the brightest" to Singapore, but that policy is a double-edged sword, Du said. Although many mainland Chinese feel comfortable in Singapore, many of the more talented ones view Singapore as a stepping stone to the west. Singapore is an ideal place for those with such ambitions to learn western customs and improve their English, Du said. May Fan Rong, a mainland Chinese undergraduate studying in Singapore said that the majority of her compatriots were looking to continue their studies and careers in either the United States, Canada or Australia. She was confident that all of them would receive PR status in Singapore, but doubted any would remain here. "We'd only stay on if we cannot find opportunities abroad," she said.

¶9. (C) Despite the large numbers of Chinese viewing Singapore as a transit point, an increasing number do stay, Du Zhi Qiang, Director of the Tianfu Association (a mainland Chinese club) said. Du estimated approximately 300,000-400,000 Chinese nationals presently live in Singapore. MFA's Chan agreed that the 300,000-400,000 figure is realistic, and the Straits Times newspaper recently reported that estimate as well. The Straits Times also recently cited an estimate of 1 million Chinese in Singapore, including those who have become Permanent Residents and Singapore citizens. Chan said that figure is reasonable, assuming it includes those Chinese who have immigrated to Singapore since the 1980s. Commenting on the large number of mainland Chinese in Singapore, Tianfu Director Du joked that if one were to randomly throw a brick out of a window, odds

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were good it would hit a Chinese mainlander. (Note: Du himself, now a Singapore citizen, immigrated to Singapore from Sichuan, China in the 1990s. End Note.)

¶10. (C) Dr. Chen Gang, (a Chinese-national) Research Fellow at the National University of Singapore's East Asia Institute, explains that Chinese nationals living in Singapore run the gamut, from students and scientists, businessmen and factory workers, to workers in the service sector and the sex-trade industry. While the global economic crisis will likely cause a short-term downturn in demand for foreign workers and may temporarily suppress emigration, he thought the number of Chinese nationals here would certainly increase over the long-term, especially with the implementation of the recently signed Chinese-Singapore FTA (reftel). Dr. Chen said that many mainland Chinese view Singapore as a "Chinese outpost," and are thus attracted to settling here.

Integration

¶11. (C) Although the Government of Singapore strives to assist immigrants to integrate into society, many Singaporeans grumble about the large number of mainland Chinese now in Singapore, Dr. Yap said. Singaporeans often get frustrated with the "unusual" attitudes and mannerisms of the mainland Chinese, Dr. Yap said. Additionally, many Singaporeans have been irritated to discover that a significant percentage of the recent arrivals from mainland China working in areas such as the service industry speak little or no English, Dr. Yap added.

¶12. (C) On the other hand, some recent immigrants, Chinese and Indian alike, are resented for increasing the already overheated competition in Singapore's society and schools. Many of the mainland Chinese students in Singapore become

leaders within their schools, in both academic and athletic areas, Dr. Suryadinata said. He suggested that an area requiring further study is how such "student leaders," with very different cultural norms than Singaporeans eventually adjust to life in Singapore. Will they go on to become societal leaders, and if so, will they eventually present a challenge to the system, he wondered.

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